

**Thailand AERA Quarterly Activities Report #4**  
**July to September 2000**  
 October 15, 2000  
**Accelerating Economic Recovery in Asia (AERA)**  
**US Government Funded Program**  
**through the**  
**US Agency for International Development**  
**(USAID)**  
 Compiled by Paul Wedel KIASIA Coordinator for AERA  
**Contents**

<u><b>Subject</b></u>	<u><b>Page</b></u>
<b>Executive Summary</b>	<b>2-3</b>
<b>Business Advisory Center</b>	<b>3-6</b>
<b>TVCS Services and Activities</b>	<b>7</b>
<b>Bank Training Program</b>	<b>8-10</b>
<b>Business Support Organizations Partnership Program</b>	<b>11-13</b>
<b>Border Action Against Malaria</b>	<b>14-17</b>
<b>Appendix A: BAC – Customer Profile</b>	<b>18-20</b>
<b>Appendix B: BAC – Outcome Reports</b>	<b>21-30</b>
<b>Appendix C: TVCS – Consulting Services Matrix</b>	<b>31</b>
<b>Appendix D: TVCS Mentoring Program for SMEs</b>	<b>32-34</b>
<b>Appendix E: BTP – Project Matrix</b>	<b>34-35</b>
<b>Appendix F: BTP – Summary of Bank Evaluations</b>	<b>36-41</b>
<b>Appendix G: BTP – Consultant Report</b>	<b>42-43</b>
<b>Appendix H: BSOP – Project Matrix</b>	<b>44-47</b>
<b>Appendix I: BAAM – Strategic Planning Workshop Report</b>	<b>48-50</b>

Cooperative Agreement #442-A-00-99-00072-00 ANE to Kenan Foundation Asia



## Executive Summary

### **Business Advisory Center**

The BAC welcomed six new volunteers from the MBAEC, reorganized itself into four multi-disciplinary teams and recruited five new Thai staff expected to start work in October. More than 12 new clients were signed up by the BAC bringing the total so far to more than 140 clients accepted. A total of 205 projects have been reviewed. Some 61 of them have been rejected, some because the management did not display willingness to commit to the consultancy program. Some 70 clients have been provided with American advisors and 31 have been provided with consulting assistance by BAC teams. Clients have continued to praise the consulting service provided.

The BAC held a large seminar on business planning and successfully conducted the first of four business planning workshops for SME managers. Marketing efforts were given a boost with the beginning of an SME advisory program on radio. The BAC also assigned a team to develop a more systematic marketing plan for the Center.

### **Thai Volunteer Consulting Service**

TVCS continued to build its database, adding 84 Thai volunteers in a variety of business disciplines. It has provided 14 volunteer experts to SMES and has assisted the BAC with experts to lead eight seminars and workshops. TVCS joined forces with the BAC to launch the SME radio show. It also launched a new “mentoring program” to provide regular, long-term consulting assistance to SMEs.

### **Bank Training Program**

The Program completed five training projects in the quarter and plans that four others will be completed in October. Evaluations of all of the programs have been good. Two additional projects are in process and will be funded in the 2000-2001 fiscal year.

### **Business Support Organizations Program**

The BSOP has approved 12 projects which develop good Corporate Governance, transparency, business structural reform, ethics, and deepening of financial products. Some are still in the early stages of implementation, such as a \$116,000 program to upgrade the capabilities of Thai accounting instructors through Institute of Certified Accountants and Auditors of Thailand. Others, such as the Bankruptcy Court Administration program, an ethics handbook for the Securities Analysts Association, and a consultancy to help plan the development of a derivatives market in Thailand with the Stock Exchange of Thailand, are well under way. Some, such as a program to assist the Thai Rating and Information Service with training and consulting, have been completed. Several new projects, including efforts to help the Office of the State Audit of Thailand, the Thai Bond Dealing Center, the Institute for SME Development, and the SET Junior Investor Program and in final stages of consideration for approval. Each of these programs has involved close cooperation between KIASIA in Bangkok and Kenan Institute staff in Washington.

### **Labor Program**

The Labor program had not officially begun in this quarter but initial contacts with the Ministry of Labor and key manufacturers were made. The program will be operating

officially in October with key assistance from the Kenan Institute office in Washington.

### **Border Action Against Malaria**

The Border Action Against Malaria Project (BAAM) is working with the Thai government, the WHO and USAID to reduce the impact of multi-drug resistant strains of malaria in Thailand's border areas. Techniques to accomplish this goal include surveillance and mapping, early diagnosis and treatment, improved house-hold capacity for prevention and recognition and development of models of partnerships that can be effective in this effort.

This quarter, the project established offices in Bangkok and Chiang Mai, organized a workshop to develop a national strategic planning framework, and provided support to the Malaria Division of the Ministry of Public Health in organizing a planning workshop to develop a model for sentinel surveillance of multi-drug resistant malaria in areas bordering Burma, Cambodia, and the Lao PDR. With its' emphasis on border areas, the BAAM Project is positioned to play an important role in the Mekong Roll Back Malaria Initiative.

The workshop resulted in agreement by key agencies to collaborate on the multi-drug resistant malaria problem, including the drafting of a national action plan and working on a national surveillance workshop in time for the peak malaria season starting in May 2001.

Upcoming activities include, finalizing the action plan, participating in a WHO conference on monitoring drug resistance, hosting field visits by officials from USAID and the Centers for Disease Control, organizing a planning workshop on school-based approaches to community action against malaria, developing an action plan to implement the Roll Back Malaria Initiative and selecting pilot sites for community-based interventions.

### **Project Activity Reports**

#### **Business Advisory Center**

##### **1. New Volunteer Consultant (MBAEC)**

Six new volunteers from the MBAEC arrived in July and undertook Thai language training. They met with several prominent persons who kindly gave them briefings on the economic and political conditions in Thailand.

The Volunteer Consultants are to be given their formal orientation at the BAC on October 2<sup>nd</sup> and then will begin to meet clients for the 2<sup>nd</sup> year AERA Program. Three of the 1999-2000 MBAEC's have been re-appointed. Two have taken on the positions of Team Leaders or senior consultants. The third has been assigned to look after Financial Investments, coordinating BAC deal flows with Asia Direct Capital Management. ADAM is managing a capital venture fund for SMEs with funding from the ADB, JBIC and others.

## 2. New Clients

The BAC has continued to attract new clients in a variety of areas including electric appliance manufacture, apparel, agricultural processing, tourist services, machine tools, and energy services. The main concentration of clients continues to be Bangkok and adjacent provinces since these provinces hold most of the business activity of the country and since this is the area best served by the BAC.

New

Examples of some of the new clients are shown below

<u>Project Number</u>	<u>Company Name</u>
BACMF00200	SCI Electric Manufacturer
BACMF00201	Greensville
BACMP00202	P.I. Industry
BACMT00203	B.J. Brothers & Son
BACMT00204	Topline Apparel
BACMM00205	Thai Eastern Rubber
BACMM00206	Sinsaenee
BACMM00208	Bangbuathong Union Tools Group
BACSS00209	Ruam Pad Pattalung
BACSE00210	Energy Systems
BACMS00211	Black Canyon

For more information, please refer to the BAC – Customer Profile in Appendix A.

## 3. Project Outcomes

The BAC continues to receive high praise from the clients for successful implementation of consulting projects. Among them are:

- **Onnicha Kindergarten** BAC consultants identified the core components of the business and worked with Onnicha teachers and staff to develop an implementation plan for Onnicha that would lay out the specific steps necessary to improve each core component. In addition, Onnicha provided guidance on how Onnicha could better market itself to parents in order to increase enrollment. The school immediately implementing the recommended steps. Initial indications are that the actions have raised customer interest in the school, led to improved materials and raised teacher motivation and interest.
- **Maehongson Mountain Inn** BAC consultants worked with this medium-sized resort in the northern border province of Maehongson to analyze its business problems and help prepare a clear business plan. The plan identified target customers, ways to increase revenues, needs for better accounting, financial and marketing systems and needed infrastructure improvements. The owner said she now had the tools to analyze and improve her business. She has begun implementing the BAC recommendations and using the business plan.

- **S.U. Electronics** This assembler of stepping motors used in compact disc players and printers was suffering from very high turnover rates. BAC helped the company understand the extent of its problem and its negative impact on productivity, over rates, and low productivity. A *Productivity Model* demonstrated to management that lowering employee turnover (by addressing employee concerns) could increase productivity and cost savings; the *Productivity Model* estimated the potential size of the cost saving. It also led to the development of specific human resource management changes. Management accepted the recommendations and began implementation of the changes, including a new compensation system. Further tracking will attempt to determine the success of the changes adopted.
- **Nichada Housing Construction Project** – This company had been severely affected by the economic downturn and the sharp reduction in housing starts. It needed a new product to differentiate itself from other construction companies, position itself advantageously to high-end single-family homeowner, and gain acceptance for its system from local architects, builders and engineers. The BAC worked with management to identify the need for a systematic project launch for the company’s new “interlocking brick” home construction system. The scope of work prepared by the BAC was accepted by the Citizens Democracy Corps which assigned a highly experienced volunteer advisor to the project. During a 30 day assignment the volunteer helped develop the project launch. In the words of the company owner, the volunteer’s ideas are excellent for operating our company and developing in the future, and we saved a lot of money by using the BAC services “
- **A-Group AV and Lighting Company** – The BAC and a senior consultant provided by CDC helped the managing director make major organizational changes and implement a production optimization model. The reorganization helped the company increase production by about 40%.
- **Thai Prasit Starch**, -- this manufacturer, wholesaler and exporter of Tapioca Starch, Tapioca Pearl and Tapioca Seed requested assistance in dealing with its wastewater problems and its biogas digester. The BAC helped analyze the problems and bring in a senior consultant from ACDI/VOCA. As a result of the recommendations made by the consultant team, the company experienced a 40% increase in Biogas production, an increase in wastewater capacity as well as improved water quality for re-use in the operation, a plan for improving their biogas burner and steps to conserve energy in the production process.

Please see the Appendix B for more BAC client summaries and project outcomes

#### 4. Seminars and Workshops

In order to meet demand from SME’s, BAC held a joint seminar on “Business Plan Development” support from the Market for Alternative Investments (MAI) and USAID through the AERA program. The seminar was attended by over 350

SME managers and owners. Many of these attendees enrolled in four follow up workshops.

A seminar was held on “Impact of the WTO on SMEs” with the Deputy Director-General of the Department of International Trade, more than 420 SME managers and owners attended the half-day seminar.

BAC is conducting “Thai SMEs Network Forum” in conjunction with Thammasat University for SME’s in the four provinces, including Suphanburi, Nakornrachasima, Lumpang, and Trang. This seminar is still in progress.

## **5. Radio Program**

In order to reach a much larger audience, the BAC with the assistance of TVCS and FM 101 are running a radio program everyday from 13:00-13.30. The program addresses specific topics that are of interest to the SME’s and answer problems faced by the audience. The program began on the 25<sup>th</sup> of September. FM 101 is one of the most popular stations and has a very large audience. This program has helped to advertise BAC and other AERA activities.

## **Thai Volunteer Consulting Service**

### **1. Data Base Building**

To date, TVCS has been able to recruit 84 Thai volunteers in the following areas:

- Organization and General Management
- Human Resource Management
- Marketing
- Manufacturing
- Agro-business
- Finance and Banking
- Information Technology
- Other fields

### **2. Consulting Services**

TVCS has provided 14 Thai volunteer experts for the SME's. TVCS also assists the BAC in providing experts in various fields to participate in seminars and workshops as follows:

- 1) Thai Textile Industrial Status
  - 2) AFTA Effect for Thai Export
  - 3) Cash Flow Statement Analysis
  - 4) E-Commerce
  - 5) Debt Restructuring
  - 6) Air dust Installation
  - 7) E-Business
  - 8) Revitalize a Strategic Development Plan for the Thai SMEs
- All programs organized by TVCS have been attended by full house audiences.

More details are provided in Appendix C.

### **3. Promotion and Publicity**

TVCS, BAC and FM 101, which has a large coverage area, jointly sponsor a daily radio show for SME's. This program helps to publicize the roles of KIAAsia in undertaking the development programs funded by USAID in Thailand.

### **4. The Mentoring Program**

In order to strengthen the competitiveness of the Thai SME's, TVCS is initiating "The Mentoring Program". This program allows the clients to develop their operations in the following:

- 4.1 Good Accounting Practice and Company Analysis
- 4.2 Management and Human Resource Development
- 4.3 Product Development
- 4.4 Manufacturing and Plant Maintenance

For more information, please refer to TVCS Mentoring Program for SMEs in Appendix D.





## **Bank Training Program**

### **1. Projects Completed**

Six Training Projects have been completed

1. The Industrial Finance and Corporation of Thailand
2. Thai Farmers Bank
3. Government Savings Bank
4. BANKTHAI
5. Thai Military Bank
6. Bangkok Bank

The results have been outstanding with all the banks sending in reports that have been highly satisfied. Please see the matrix of projects in Appendix E and the summary bank evaluations in Appendix F. The companies providing the training also appeared to appreciate the customized nature of the programs and the heightened senior management involvement.

#### **Bangkok Bank success**

One of the first programs to show concrete results in bank practice was the project with Bangkok Bank, Thailand's largest commercial bank, which has been struggling to help its many SME clients. The AERA Bank Training Program provided Bangkok Bank with a course teaching its staff how to train the managers of Small and Medium Size Enterprises to do better business plan development. The course began on the 21<sup>st</sup> of September and was carried out by Deloitte Touche Tomatsu. Bangkok Bank has informed KIASia that they were very happy with the whole program and the quality of instruction.

The impact of the training is already being felt as the Bank has launched its own national program for teaching SMEs to write effective business plans. Bangkok Bank announced to its clients that the most important tool for SMEs to become a success is to have a good business plan. The bank's trainers told their first class of SME customers in Bangkok Bank's training program that they will be working closely with KIASia and the Thailand Productivity Institute in strengthening SMEs.

"KIASia is running the beginner's course on "Business Plans", the Thailand Productivity Institute is carrying out the next level, and today Bangkok Bank is working with SMEs in the final and practical phase" said Mr. Kosit Panpiemras, Executive Chairman of Bangkok Bank.

The Permanent Secretary of the Ministry of Industry, Khun Manu Leopairote, congratulated KIASia for undertaking the task of training the staff of Bangkok Bank with funding support from USAID. He said; "A Business Plan is one of the most important tool for the survival of Thai SMEs. I am very happy that Bangkok Bank has committed to support this program as it will help so many businesses move towards success in these difficult times".

### **Report by the trainers**

Deloitte Touche Tohmatsu, one of the consulting/training companies provided its own report and analysis of the program. This report said that a relatively small sum, over 1200 bank staff have received “practical, interactive training on risk management and internal control systems – training designed to bring Thai banks up to world class standards in these areas.” It noted that some programs were to train trainers or improve internal training department that will train at least an additional 1800 Thai bankers. “The 10 banks that have so far received assistance under the program control well over two-thirds of all bank assets in Thailand and provide loans to every sector – agriculture, manufacturing, services and small business,” the report said. “The Program should thus result in substantial improvements in banks’ lending and internal control capabilities. This in turn should lead to a more robust, stable and healthy banking system that can effectively support sustained economic growth in Thailand.” The full report may be found in Appendix G.

Further evaluation on the impact of this training on banking operations is planned for 2001.

### **2. Programs to be completed in October**

Three programs are being wrapped up and will be completed by the end of October.

- 1) Siam Commercial Bank  
Risk management training has been completed. The training manuals and materials developed have been completed. The manuals are being translated.
- 2) Bank for Agriculture and Agricultural Cooperatives  
Due to delay by both the bank and the trainers, the training will begin in October.
- 3) Government Housing Bank  
The executive seminar was successfully delivered, training the trainers course will begin mid October.

### **3. Project under development**

Krung Thai Bank submitted their proposal too late to be considered by USAID for the 1999-2000 budget year. The assistance sought was for Responsibility Accounting (Profit Center Accounting) and Risk Management.

The Thai Institution of Banking and Finance Association sought assistance for programs in Retail Banking and E-banking.

The AERA Program is considering the projects and will bid out these two programs in the 2000-2001 budget year.

## **Business Support Organizations Program**

### **Projects Approved for Funding**

The BSOP has been concentrating on projects which develop good Corporate Governance, transparency, business structural reform, ethics, and deepening of financial products. Twelve large and small grant projects have been approved and are underway. Fuller details are available in the project matrix in Appendix H.

#### Large Grants

1. *Standards of Practice Handbook (\$12,285)*  
The Securities Analysts Association (SAA) is translating and adapting the Association for Investment Management and Research's Standards in Practice Handbook, 8<sup>th</sup> edition into Thai. The Subcontract has been completed by SAA. The SAA is now implementing the project with the AIMR.
2. *Upgrading the Capabilities of Thai Accounting Instructors (\$116,303)*  
The Institute of Certified Accountants and Auditors of Thailand (ICAAT) is developing teaching aides (videos, transparencies. Diskettes and teacher's manuals) for Thai accounting instructors. The BSOP is in contact with the University Study Abroad Consortium, a potential U.S. counterpart.
3. *Comparative Study on Thailand's Savings and Investment Tax Policy (\$56,410)*  
The study is to examine the impact of Thailand's present tax structure on the financial and capital markets from both the economic and administrative aspects. The Security Exchange Commission of Thailand (SEC) asked for the Thai Development Research Institute with assistance from U.S. experts to conduct the study. The Subcontract with the SEC has been signed. Work is underway.
4. *Bankruptcy Court Administration Program (\$48,264)*  
The American Bankruptcy Institute (ABI) is providing technical assistance to the Thai Central Bankruptcy Court (CBC) in training and establishing systems to deal under the revised laws with the backlog of corporate bankruptcies. The US team of administrators came over to visit, observe, and provide consulting to the administration office of Thai Central Bankruptcy Court during August 16-22, 2000. This session is the first part of a project to improve its administration system in order to effectively handle more cases.
5. *Thai Bankers Handbook (\$28,050)*  
The Thai Institute for Banking and Finance Association (TIBFA) is developing a handbook under a licensing agreement with the American Bankers Association (ABA). The Licensing Agreement with the ABA has been reviewed and revised. The Subcontract between KIA Asia and the TIBFA has been drafted and will be signed after the licensing agreement between TIBFA and ABA has been completed.

## Small Grants

### 6. *Thailand Rating & Information Services (TRIS) Technical assistance*

#### 6.1 *TRIS (\$8,000)*

Mr. Reed Parker, a Volunteer Executive from the International Executive Service Corps (IESC), came to Thailand to provide the training and consulting to TRIS in the area of bond rating methodologies and procedures. The project has been successfully completed.

#### 6.2 *TRIS – Trip # 2 (\$7,500)*

The grant is to assist Thailand's development needs by providing expert assistance from a US Private Volunteers Organization (PVO) to help TRIS in the area of credit rating methodologies and procedures, securitizations, and staff training.

### 7. *APICS – TLAPS Partnership*

#### 7.1 *APICS – TLAPS Partnership #1 (\$3,000)*

The grant is to assist Thailand's development needs by providing expert assistance from APICS to help the Thai Logistics And Production Society (TLAPS) in the area of logistics and supply chain management. Mr. Richard Welch, the former president of APICS, attended TLAPS annual seminar in Thailand on May 5, 2000 to May 22, 2000 with support under the BSOP fund.

#### 7.2 *APICS – TLAPS Partnership #2 (\$5,000)*

The BSOP is providing financial support to the Thai Logistics And Production Society (TLAPS) to send Dr. Pricha Pantumsinchai, TLAPS President, and Mr. Krizz Chantjiraporn, TLAPS Advisor, to attend the APICS International Conference & Exposition in order to establish future linkage between TLAPS and the American Production and Inventory Control Society (APICS).

### 8. *International Auditor Fellowship Program (GAO)*

#### 8.1 *International Auditor Fellowship Program (\$10,000)*

The GAO Fellowship program supports the goal of the International Organization of Supreme Audit Institutions (INTOSAI) to strengthen auditing and financial management practices and promotes the sharing of information and experiences among Supreme Audit Institutions (SAI) throughout the world. The BSOP is providing financial support to the Office of the State Audit of Thailand (SAO) to send Mr. Phaisarn Vorasetsiri to attend the International Auditor Fellowship Program at GAO in Washington D.C., U.S.A. from June 12, 2000 to October 27, 2000.

#### 8.1 *The International Auditor Fellowship Program's field office placement (\$4,000)*

The program is a continuation of the International Auditor Fellowship program and is designed to provide the participant with training, which includes gaining practical experiences in designing and implementing audits. Under BSOP support, Mr. Phaisarn Vorasetsiri is to participate in the 2000 International Auditor Fellowship Program's field office placement in Chicago, U.S.A. from October 30, 2000 to December 8, 2000.

### 9. *Land Assessor (\$5,413)*

The grant is to assist Thailand's development needs by providing expert assistance from Appraisal Foundation to help the land assessors occupation in Thailand in the area of

training and harmonizing the standards and procedures used by the profession. Mr. James Parks, the Director of Research and Technical Issues for The Appraisal Foundation visited Bangkok from 21 – 25, 2000 to hold talks with key Thai organizations involved in the land assessors occupation.

*10. Certificate for Occupational Health and Safety – OHSWA (\$2,600)*

Under BSOP support, Mr Dan Agopsowicz, the Chairman of the American Board of Industrial Health (ABIH) came over to deliver a seminar to the Occupational Health and Safety at Work Association (OHSWA) on July 20-21, 2000.

*11. Stock Exchange of Thailand – Derivatives Market Development (\$10,000)*

The grant is to assist the long-term development of Thailand's derivatives market by providing financial support for Mr. Robert B. Gilmore, and expert consultant, to work with the Stock Exchange of Thailand (SET). This program will allow investors to hedge their investments and reduce their risks.

*12. The Thai Credit Bureau (\$1,773)*

The BSOP has considered providing assistance on promoting the concept and the use of credit bureaus in Thailand. In the meantime, the BSOP has provided financial support to the Central Information System Co., Ltd. to send Mr. Samma Kitsin to attend the Second

## **Projects in the Pipeline**

*1. The Office of the State Audit of Thailand (SAO)*

The SAO requested the assistance on training the SAO's staffs to improve their capabilities. The BSOP contacted the Government Audit Training Institute (GATI) and the General Accounting Office (GAO) as potential partners to work on this training program.

*2. Thai Bond Dealing Center (Thai BDC)*

The Thai BDC requested the technical assistance on secondary bond market standards and development to strengthen the values of trust, accountability, and confidence in the market.

*3. The Institute for SME (ISMED/ATSME)*

The project is to strengthen the Institute for SME in Thailand's activities by partnering with the U.S. Small Business Administration (SBA).

*4. The SET Junior Investor Program (SJIP)*

The BSOP is providing technical assistance to promote and implement capital market education for young generation in Thailand in the area of economics, finances and investment principles.

## **Labor Program**

Initial activities of the planned labor program began in the quarter even though this activity was part of AERA Year 2 programming. The immediate goal is to develop a program with the Ministry of Labor and Social Welfare to educate government officials, businessmen and entrepreneurs, and the labor force on the observance of human rights and the necessity to make the workplace a safe place.

The Labor Program has worked out agreement with the Ministry of Labor on a series of seminars on Safety Standards and Human Rights to be held in 2001. It has also been working to assist the Thai Garment Manufacturers Association with its labor standards and to plan ways to cost effectively monitor and certify to a variety of standards. The Kenan Institute office in Washington has played a major role in assisting with these plans..

## **Border Action Against Malaria**

The Border Action Against Malaria Project (BAAM) provides support to the Royal Thai Government National Malaria Control Programme to slow the emergence and spread of multi-drug resistant malaria along Thailand's border areas. The purpose of the project is to improve the national capacity to monitor and respond to multi-drug resistant malaria. This will be accomplished by strengthening capacity for:

- Surveillance/mapping of drug resistance and behavior contributing to multi-drug resistant malaria in border areas.
- Early diagnosis and prompt treatment with effective drugs regimens at the community level in border areas.
- Management of severe and complicated cases of multi-drug resistant malaria by local health facilities.
- Improved household-level capacity for prevention, case recognition and health care seeking.
- Development of models of multi-sectoral partnerships for participatory learning processes and collaborative actions by local stakeholders, contributing to decentralization, reform of health systems, and sustainability.

## **1. Summary**

The BAAM Project commenced in May 2000 with recruitment of Project Director Dr. Damrong Boonyoen, Project Coordinator James Hopkins, and Project Secretary Phungpit Kaewphet.

During the reporting period from July to September 2000 the Project established offices in Bangkok and Chiang Mai, organized a workshop to develop a national strategic planning framework, and provided support to the Malaria Division of the Ministry of Public Health in organizing a planning workshop to develop a model for sentinel surveillance of multi-drug resistant malaria in areas bordering Burma, Cambodia, and the Lao PDR.

## **2. Project Activities During the Reporting Period**

### Startup

*Human Resources:* The recruitment process of the last quarter resulted in employment of Ms. Phungpit Kaewphet in the position of Project Secretary based at the Project Coordinating Unit located at Vector-Borne Disease Control Office No. 2 in Chiang Mai.

*Office Facilities:* The Project Coordinating Unit (PCU) was established at Vector-Borne Disease Control Office No. 2 in Chiang Mai in a research building constructed with loan funds provided under the USAID Anti-Malaria Project in the early 1980s. In Bangkok, an office for the Project Director was established at the Primary Health Care Office of the Ministry of Public Health following some renovation and partitioning. Additional office space was rented to house the Project Accountant at the KIASIA AERA office in the Stock Exchange of Thailand Building.

*Procurement of Office Furniture and Equipment:* Basic office furniture was procured for the Project Director's office and the PCU. 2 sets of personal computers with printers were procured for the PCU; these are configured as remote users of the KIASIA local area network allowing communication by email and ICQ.

### Positioning

BAAM Project Management closely coordinated with the WHO Representative and the Malaria Division to position the BAAM Project as support to facilitate the activation of Roll Back Malaria in Thailand as a national partnership for a "social movement that is part of broader societal action for health and human development" in accordance with the principles of RBM (WHO 1999). With its' emphasis on border areas, the BAAM Project is positioned to play an important role in the Mekong Roll Back Malaria Initiative.

### Planning

*Strategic Planning:* The main focus of activity this period was strategic planning. BAAM hosted planning sessions with key officials of the Malaria Division, WHO, and UNICEF to design a multi-sectoral seminar/workshop to develop a national strategic framework for Roll Back Malaria. From July 24-26, 2000, BAAM facilitated a multi-agency gathering of key stakeholders in malaria control entitled "*Thailand Roll Back Malaria Strategic Planning Workshop*" in Chiang Mai. Principal program strategies identified by the workshop include the following:

1. Surveillance and response: epidemic preparedness, prevention and control
2. Early diagnosis, prompt and effective treatment
3. Household and community prevention
4. **Reform of health system through decentralization to support local self-reliance in malaria control**
5. Development of a collaborative inter-sectoral approach for integrated coordination of cooperation with equal partnerships among local implementing agencies

A summary report on the workshop appears in Appendix I.

On July 27 consultations were held among key officials of the Malaria Division, Dennis Carroll from USAID/Washington, and BAAM Project Management regarding the results of the workshop and preparation of a strategic framework for the Thailand Roll Back Malaria Initiative.

**Immediate Results:** The Project Coordinator used the input from the workshop to produce a document entitled “*Thailand National Roll Back Malaria Strategic Framework*.” A summary appears in Appendix II.

**Planning for Sentinel Surveillance:** As a result of the strategic planning workshop, the Malaria Division requested BAAM support to organize a workshop on “Developing a Model for Sentinel Surveillance of Drug-resistant Malaria in Thailand.” From September 21-22, 2000, the workshop was conducted with the objective to collaboratively develop a model and network for monitoring drug-resistant malaria in Thailand. Participants included representatives from the Malaria Division, 5 regional Vector Borne Disease Control Offices, 7 provincial hospitals from Thailand’s borders with Burma, Cambodia, and Lao PDR, the Faculty of Tropical Medicine of Mahidol University, the Royal Thai Army Medical Department, and the Armed Forces Research Institute for Medical Science – both Thai and U.S. divisions.

**Immediate Results:** The workshop resulted in a consensus of key agencies to collaborate in enhancing past efforts and expanding coverage of surveillance to establish a network using both *in-vitro* and *in-vivo* methods to monitor drug resistance by malaria clinics, government hospitals, academic and military research units in strategic sites on Thailand’s borders. A national Plan of Action for monitoring drug-resistant malaria is being drafted by the Malaria Division, as the focal point of the network. Thailand’s draft Plan of Action will be presented at the WHO sponsored Informal Consultation on Monitoring Resistance to Antimalarial Drugs in the Mekong Region in Phnom Penh, Cambodia from 16-17 October. After incorporating input from the regional consultation, the national Plan of Action will be finalized as a key component of the Thailand National Roll Back Malaria Initiative.

BAAM will coordinate with WHO and the Malaria Division to identify priority areas for support and assistance to the National Malaria Control Programme for funding by WHO and/or USAID through subgrants under the AERA-BAAM Project. The surveillance network is planned to be operational for Thailand’s peak malaria transmission season starting in May 2001.

#### Partnering

In addition to consultations with key agencies involved in malaria control prior to and during the strategic planning workshop, the Project Director and Coordinator participated in a Ministry of Public Health Village Health Volunteer seminar on “Empowerment of Social Organizations for Communicable Disease Control in Tak Province” and held consultations with the Regional Supervisor of MOPH regarding the current malaria situation in Tak province and MDR malaria.

#### Site Selection

Project Management held consultations with officials of WHO and the Malaria Division regarding development of criteria for selection of sites for community-based interventions, and made a field visit to observe malaria clinics and the transmission situation in Mae Sot.

### **3. Results Achieved During the Reporting Period**



Major results achieved during the reporting period include the formulation of a Thailand National Roll Back Malaria Strategic Framework and a draft National Plan of Action for Monitoring Drug Resistant Malaria.

#### **4. Major Activities Planned for the Next Quarter**

Major activities planned for the next quarter from October-December 2000 include the following:

- Finalizing the National Plan of Action for Monitoring Drug Resistant Malaria
- Participating in a WHO sponsored “Informal Consultation on Monitoring Resistance to Antimalarial Drugs in the Mekong Region”
- Hosting a field visit by officials from USAID/Washington and the Centers for Disease Control to potential pilot sites on the Thai-Burma border to be selected for community-based malaria prevention and control activities in Mae Hongson and Tak provinces
- Organizing a planning workshop on “Developing a Model for a School-based Approach to Community Action Against Malaria”
- Finalizing guidelines and procedures for subgranting and subcontracting
- Developing a plan of action to support operationalizing the RBM strategic framework
- Selecting initial pilot sites for community-based interventions
- Preparing for a provincial-level planning workshop in Mae Hong Song Province

## **Appendix A**

### **Customer Profile**

*The following was compiled utilizing information from the BAC client database as of September 26, 2000.*

#### ***Company Analysis***

The BAC has 205 projects and 4 seminars on hand. On hand projects represent **181 companies**. Characteristics of these companies follow.

##### **Size**

Small	30%
Medium	67%
Large	3%
Total	100%

Note: Small sized businesses have annual sales and fixed assets (excluding land holdings) less than 20 MM Baht. Medium sized businesses have annual sales and fixed assets from 20 to 200 MM Baht. Large sized businesses have annual sales and fixed assets in excess of 200 MM Baht.

##### **Location**

Greater Bangkok	70%
Surrounding Province	21%
Upcountry Province	9%
Total	100%

Note: Greater Bangkok denotes all areas in Bangkok. Surrounding province denotes Nonthaburi, Pathum Thani, Samutprakarn, Samutsakorn and Nakorn Pathom. Upcountry province denotes all areas except Bangkok and surrounding provinces.

#### **Repeat Business**

There are 19 of 181 companies (10%) that use more than one service. Of these 19 companies 3 are small and 16 medium.

##### **Referral Sources**

Word of Mouth	13%
Newspaper	8%
TV	7%
BOI	7%
Exhibition	6%
Seminar	4%
Mailing	4%
NSTDA	3%
MDIC	2%
Magazine	2%
Others	15%
NA	29%
Total	100%

## *Project Analysis*

### **Industry**

The top five industries the BAC has serviced include:

Manufacturing	18%
Textile and footwear	15%
Food and beverage	14%
Chemical and plastics	11%
Electrical	9%
Others	33%

### **Reject/Close**

There are 61 out of 205 projects that were rejected or closed, representing 30%. Follows are reasons why projects were rejected or closed per BAC consultants:

- No response or cooperation from clients
- Client requested services out-of-range (i.e. request financing, business start-up assistance, government program assistance)
- Client did not remember submitting application
- VE requested for time period greater than 6 months
- Company was too large (not an SME)
- Company was too small (did not fit our criteria)
- Client concerned about cultural differences of VE

### **VE Projects ( 70 projects)**

VE projects are focused on the following functional areas:

Operations	57%
Marketing	12%
Strategy	8%
Information Technology	5%
Human Resources	2%
Not confirmed	16%
Total	100%

### **In-house Projects ( 31 projects)**

In-house projects are focused on the following functional areas:

Marketing	30%
Information Technology	9%
Finance	6%
Strategy	6%
Accounting	3%
Not confirmed	46%
Total	100%

## **Seminars & Training**

1. Strategic Marketing for SMEs (350 participants)
2. Business Plan ( 320 Participants)
3. Business Impact from Policy of World Trade Organization ( 410 participants)
4. Thai SMEs Network Forum with Thammasat Univerity ( 4 sessions with 100 participants in each session)
5. Business Plan Workshop ( 4 sessions with 50 participants in each session)

## **Appendix B**

### **BAC Outcome Reports**

#### **Maehongson Mountain Inn**

##### **Developing a business plan in the tourist industry**

*Completed May 2000*

*BAC Consultants: Gilbert Lo and Wichai Saretawekul*

Maehongson Mountain Inn is a medium-sized, two-story, 80 room garden-style hotel located near the center of Maehongson city. The hotel occupies approximately 9,600 sq. meters, and has five restaurants on its premises. It has been operating since 1989 and is considered one of the original hotels in the province. Khun Anjalee is the original founder and still runs the hotel's day-to-day operations.

As an SME in Thailand's "upcountry," Mountain Inn had never worked with business consultants. In fact, as Khun Anjalee put it, she had never conducted a business analysis of her hotel. She wanted BAC to help Mountain Inn improve its business. After several in-depth discussions with her over the course of several weeks, BAC was able to help her clarify and better understand her business goals and issues, which included the following:

- To increase profitability by both increasing revenues through better marketing as well decreasing costs through better management of operations;
- To standardize the overall processes, services, and systems (e.g., operations, accounting, management) in order to ensure smoothly running operations;
- To renovate its current facilities to become international-standard quality (e.g., improve and redecorate rooms).

With these clear goals agreed upon, BAC was then able to develop an appropriate scope of work that would help Mountain Inn achieve these goals.

Two BAC Consultants then spent one week onsite with the client to research and analyze all aspects of Mountain Inn's business. They examined the internal operations of the hotel, including its operations, financials, accounting systems, and organizational structure. They also conducted analysis of the hotel industry in Maehongson, Mountain Inn's competitors, and its customers.

The Consultants shared information and thoughts as they discovered them. Khun Anjalee said that one of the important benefits of BAC Consultants working onsite with her was the ability to informally and frequently exchange ideas and for the Consultants to provide timely and relevant insight on whatever business issues were on her mind.

Ultimately, BAC helped the management develop a Business Plan for Mountain Inn which included detailed recommendations for how to improve each major area of her business. Specifically, BAC advised Mountain Inn on the following:

- Which customers to target and how
- How to increase the revenue-generating ability of its current products and services
- How to differentiate itself from other hotels
- What accounting, financial, and marketing systems and structures should be implemented
- Key management hires and how to organize staff
- What area of the hotel's infrastructure should be focused on for improvements

These recommendations both tackled the short-term needs of the hotel to increase profitability as well as the long-term needs of the hotel to be competitive and sustainable in the future.

Mountain Inn was quite happy about the project and deliverables. Khun Anjalee said she now had a tool for analyzing her own business as well as ideas for how to improve her hotel moving forward. She believed BAC assistance would help her run the hotel better in the future, as well as give her a better chance of obtaining loans from various organizations for hotel renovations. She looks forward to implementing BAC recommendations and, hopefully, working with BAC again in the future.

### **Onnicha Kindergarten** **Management improvement in educational company**

*Completed April 2000*

*BAC Consultants: Gilbert Lo and Himapan Ruktaengarn*

Recently, the educational system in Thailand has been an issue of national debate. Complaints about the current system include that it is too rigid and does not train children to think critically or to be creative. There have been reforms -- and attempted reforms -- at the national level to improve the educational system. Clearly, this is an issue of national importance and concern that will have long-term consequences for Thailand's ability to compete in the future. This was one of the reasons BAC decided to work with Onnicha Kindergarten, which would not be considered a typical "target SME."

Onnicha Kindergarten is a private school started in 1984. It is located on one rai and three ngan of land with two buildings and a small swimming pool. There are approximately 150 students enrolled currently, aged from three to six years of age. Half the students come from the immediate community, and the other half from surrounding areas. Tuition fees are 9000 baht/semester, and there are about 25 students per teacher.

The impetus behind the opening of the kindergarten was that the Housing Authority of Thailand required that there be a kindergarten in the Tung Song Hong area. However, the Department does not monitor or evaluate the quality or efficiency of the school, and as a result, for the first 10 years of its operations, Onnicha was not considered to have a high quality of education.

In 1995, Khun Ekarat took over ownership and management of the school. His goal has always been to improve the school, and initially he did this by upgrading and maintaining the facilities, hiring and motivating qualified teachers, and getting more feedback from parents. Towards the end of 1999, Khun Ekarat began to realize that he wanted to go beyond superficial improvements to the school and really focus on improving the quality of education for the students. However, he was not exactly sure how to go about doing this. This was his motivation for seeking assistance from BAC.

Two BAC Consultants worked with Khun Ekarat and his staff three months. The Consultants conducted secondary research on international kindergartens as well as arranged a site visit with a prominent Bangkok-based international school. With this research and analysis, the Consultants were able to work with Onnicha to more clearly define the core components of "quality education" for Onnicha:

- Educational philosophy (e.g., child-centered vs. teacher-focused, learn by experience vs. learn by rote);
- Quality of teachers (e.g., training, support);
- Quality of materials and activities (e.g., how to get students interested and excited to learn in classes).

Once these core components were defined, the Consultants interviewed Onnicha teachers and staff to better understand how improvements could realistically be implemented. BAC then developed an implementation plan for Onnicha that would lay out the specific steps necessary to improve each core component. In addition, Onnicha provided guidance on how Onnicha could better market itself to parents in order to increase enrollment.

Onnicha was very grateful for BAC assistance. In fact, as the Consultants developed recommendations, Khun Ekarat immediately began planning for and implementing them. For example, Khun Ekarat modified, clarified, and better communicated the educational philosophy – child-centered, learning by experience -- of Onnicha to both teachers and parents. He also began discussing with teachers how to streamline the student evaluation form that was taking up a lot of their time, as well as what type of training they needed. Furthermore, he began meetings with teachers on how to update and improve the quality of materials and activities.

As Khun Ekarat explained, he never had access to this type of professional help for his school, and felt very fortunate to be the recipient of BAC's assistance. He felt that BAC provided an immensely valuable service in helping clarify his issues and providing a clear and realistic implementation plan, and is looking forward to the long-term improvements this will have for Onnicha and its students.

### **S.U. Electronics** **Boosting employee productivity in electronics**

*Completed June 2000*

*BAC Consultants: Dusit Meksingvee and Michael Dennis*

Thailand's labor costs are higher than China, Vietnam, and India, which has made many Thai products too expensive. Thus, Thai Small & Medium-sized Enterprises feel compelled to minimize labor costs to stay competitive. However, such a management decision to keep salaries low can lead directly to low employee motivation, high employee turnover rates, and low productivity.

Working closely with management at S.U. Electronics, the BAC worked to find a solution to this problem, a solution that benefits both employees and the bottom-line.

S.U. Electronics assembles electronic components (stepping motors used in compact disc players and printers), and experiences nearly 100% turnover among its 250 employees per year, according to BAC estimates. A *Productivity Model* demonstrated to management that lowering employee turnover (by addressing employee concerns) could increase productivity and cost savings; the *Productivity Model* estimated the potential size of the cost savings. The *Productivity Model* was developed to be leveragable in other BAC cases, in other industries.

To identify & gauge the *drivers* of the employee turnover rate, the BAC met with management, interviewed customers, conducted five focus groups, and surveyed over 200 employees. Dusit Meksingvee managed the focus groups. The results of the survey were analyzed along specific variables - level of experience, age, length of commute, division – to identify the problem and suggest the most effective solution.

The recommendations to K.Suchart were to

- (1) Improve two-way communication with employees, because,
- (2) Orient the company towards establishing & meeting metrics (some offered included: years of experience, turn, and
- (3) Target experienced workers with greater compensation to retain them & bring them into the company to improve customer service.

In the end, K. Suchart explained how he was implementing the proposals & the presentation spurred his thinking towards a new compensation system to entice his talented employees to remain with the company. Follow up in six months will try to determine the success of these efforts.

## **Nichada Housing Construction Project**

### **Construction materials company launches new home construction system**

*May12-June3,2000*

*Business Advisory Center (BAC) Consultants: Kolchai Eua-arporn & Jane Klickman*

This project provided expert advice to the Nichada company in Thailand, for the launching of an “interlocking brick” home construction system. This product needs to break into the Thai housing industry, which is entrenched in traditional building methods. With the economy of Thailand recovering slowly, the company wants to position itself advantageously to high-end single-family homeowners, and gain acceptance for its system from local architects, builders and engineers.

#### **Volunteer Expert:**

The Citizen’s Democracy Corps (CDC) assigned this project in a timely manner to Mr. Peter Newburg, who had over 30 years in all areas of the building industry; a perfect match. There was good communication with the CDC coordinator, Ingrid Sanchez, and thorough and efficient handling of logistics throughout the project.

#### **Assistance provided:**

The Volunteer Expert, Peter Newburg, hit the ground running and maintained a high level of energy and professionalism during the entire three weeks. He held meetings with over 20 company employees from top management, finance, engineers, IT and construction areas. A high point was Mr. Newburg’s presentation of the new construction system to the President of the Housing Authority of Thailand, prior to arranging a meeting for the Nichada owners. Owner, Auychai Changrew “appreciated the assistance of Mr. Newburg and the BAC for their collected information and organizing the meeting with the senior people of the Housing Authority of Thailand”. Peter’s warm and personable manner was important in bridging cultural gaps and language interpretations, and conveying his experience and knowledge to the client. Living within the “Nichada Tani Housing Community”, he easily joined the client family in a variety of activities, establishing valuable personal relationships and mutual respect.



**Impact of Assistance:**

Nichada management were strongly committed, highly involved in accepting and exchanging ideas with the VE to improve their marketing, advertising and overall product concepts. They were always ready to listen and consider integration of new Western ideas and perceptions about homebuyers and industry professionals. The Nichada owner, Khun Changrew concluded, "Peter's ideas are excellent for operating our company and developing in the future, and we saved a lot of money by using the BAC services".

**Knitwear Manufacturer's Revenues up +30%**

*Completed: June, 2000*

*BAC Consultants: Wirat Jaruwongwanit and Jack Daley*

**Client Company:** A contract knitting manufacturer\* that produces middle to high quality sweater wear. The company employs 480 people at its factory in Bangkok and satellite sales office in Hong Kong.

**Volunteer Expert:** Harris Johnson, a Volunteer Expert (VE) with the Citizens Democracy Corps (CDC), has an extensive educational as well as professional background in Textiles and Licensing. Currently, he is the President of Shipp-Johnson a joint venture licensing consulting firm in the US. His professional experience includes:

- Burlington Industries, Inc.- Various Management Positions over 20 years
- J.P. Stevens - Manager of Licensing Department
- Joseph Bancroft and Sons - International Menswear Licensing Manager
- Bunting Hosiery Mills - Manager

**Goals of the Project:** On December 31, 2004 the Arrangement on Textiles and Clothing (ATC) quotas will expire. Subsequently, enormous pressure will fall on the client and the Thai garment/textile industry as a whole. Firms with the will to survive must upgrade production facilities and capabilities to international standards to remain globally competitive.

In preparation for this change, the client's priority objective was to increase its capacity. Prior to the assignment, they were only utilizing 60% of their manufacturing capacity. To fill this capacity, the client wanted to expand its customer base and/or increase its business with its current customer base. This would have a direct impact on economies of scales, sales and profits. To accomplish this goal, the client commissioned the VE to develop a Marketing Plan that consisted of goal setting, situation review, strategy development, resource allocation and follow-up.

**Areas of Assistance:** Mr. Johnson, with the assistance of the BAC consultants, successfully completed a three-year Strategic Marketing Plan that included several tactical suggestions:

1. Resolution of quality and time problems in producing samples for buyer's consideration
2. Increase in customer base, particularly those at a medium high level
3. Investigation of US or European sales office
4. Availability of video promoting business
5. Availability of interactive Internet web site

**Impact of BAC Assistance:** To date, the client has increased their *revenue + 30%* and executed the following:

- Expanded business with three new buyers utilizing advice of Mr. Johnson
- Researched the possibility of offices in US (not feasible due to tax laws) and Europe (market too compact), instead hired additional sales staff to handle international accounts
- Taken steps to hire a Marketing Manager who among other duties would be charged with the creation of a promotional video
- Teamed up with Thailand.com for web site space (launching January 2001)
- Applied for additional assistance from BAC to improve sample production quality and time

*\*This company has not released the BAC from a confidentiality agreement so that the firm's name can be used in public documents.*

## **A-Group**

### **Manufacturing Efficiency Increase of 40%**

*Completed August, 2000*

*BAC Consultants: Himapan Ruktaengam and Jeremy Wintersen*

**Client Company:** A-Group, Consultation and Design for Audio-Visual & Lighting Systems, Manufacturing System Maintenance.

**Volunteer Advisor:** Provided by the Citizens Democracy Corps, CDC, Robert J. Schlesinger, Ph.D., had extensive management experience that included corporate Vice President at Fortune 100 company, CEO of mid-sized firms and founder /president of small start-ups. Founder and CEO of RHO SIGMA, INC., North Hollywood, Calif., for ten years. Obtained VC investments for start-up operations. President/CEO of COMPULASER, INC., Canoga Park, Calif., which manufactured industrial lasers and maintained a CAD/CAM operation. Vice President of Marketing, ITT, Data and Information Systems Division, Director of R&D for TELEDYNE'S PACKARD-BELL subsidiary.

**Goals of the project:** Goals stated by A-Group include

- Improved use of information technology in the company's management systems
- Improved application and implementation of ISO 9000 standards
- Increased efficiency of working procedures
- Establishment of management guidelines to support future expansion

**Areas of CDC Assistance:** The volunteer expert found that the fundamental problem facing the company was low output in the product manufacturing areas. Therefore, he concentrated his efforts with management of the company as the following:

- Assisting the M.D. to have proper organization to increase the efficiency of operations
- Investigating and solving the bottle-necks problems in the production process to improve the efficiency.
- Lecturing and presenting How to employ the data from the database system to improve the efficiency
- Assisting the M.D. to identify a new product and new market
- Developing the production optimization model to optimize the use of resources to maximize profit.

**Impact of CDC Assistance:** The company has already implemented the Production Optimization model called Linear Programming Model (LP) in the first phase. The productivity

in the product manufacturing areas increased approximately 40%. The inventory of raw material decreased significantly. The organization of the company was re-arranged follows VE's suggestion.

A Group is seeking channels to export their product to the international market, firstly to the Asian region. To develop new products, Robert suggested that A Group should have a "Great Idea Group". The objective of GIG is to explore a wide range of new ideas of possible interest to the company. This group is scheduled to start in the first quarter of 2001.

## **Pontex Co., Ltd.**

### **Plastics manufacturer initiates new management system.**

*Completed: August, 2000*

*BAC Consultants: Himapan Ruktaengam, Joe Urso, Pavinee Bongasemsunti*

**Client Company** Pontex (Thailand) Co., Ltd. was established in 1989 with the purpose of producing plastic goods and components through an injection molding process. The company's products consist mostly of footwear and garment accessories, such as: logos, shoelace loops, shoe-buckles, and shoe-soles for such international brand names as Timberland, Adidas, Nike and Reebok. Though Pontex began with only four injection molding machines, it, now, has 40 machines and over 200 employees.

#### **Volunteer Advisor**

The Volunteer Advisor provided by the International Executive Service Corps (IESC), Mr. Robert Benedict is a management consultant specializing in corporate turnaround management, crisis management and the management of troubled companies. He has extensive business background with large, well-known manufacturing companies, with steamship companies operating in Southeast Asia and other parts of the world, and with other manufacturing companies.

#### **Goals of the Project**

1. Reorganize management structure, where middle and upper management are allowed to effectively perform their duties more effectively and independently.
2. Improve workflow and communication between departments by integrating marketing and plant operations.

#### **Areas of Assistance**

Mr. Benedict's first assignment was to assess Pontex's various organizational problems. Upon the completion of his assessment, he made the following recommendations:

1. Hire a factory manager to coordinate production planning and control, raw material preparation, production, finishing and packaging, maintenance and safety.
2. Develop a Human Resources Department to handle wage issues, employee training, performance evaluations, etc.
3. Restructure Pontex's organization to give more decision-making power to mid-level managers.

#### **Impact of Assistance**

Mr. Benedict's assignment has only recently been completed and the true impact of his assistance will not be seen for several months. However, Pontex has gone ahead and begun implementing each of Mr. Benedict's recommendations.

## **Dog chew manufacturer moves toward 0% Salmonella**

*Completion date: September, 2000*

*BAC Consultants: Michael Dennis and Sumontra Chantarachoti*

**Client Company:** A mid-size manufacturer\* that produces a variety of different dog chew products (over 300) ranging in size, colors, textures, shapes, and prices. The company has approximately 500 employees and is considered as one of the biggest in the industry, exporting their products mainly to Japan, USA, Europe, Canada and South Africa.

**Volunteer Advisor:** ACIDI/VOCA recruited Suresh D. Pillai, Ph.D. from Texas A&M University to assist with this project

### **Goals of the Project:**

- Develop and propose a plan to improve sanitation and to reduce the defect rate from 10% to 2% with both short-term goals and long-term goals
- Propose a system to track progress and results in the production process
- Outline implementation steps and begin implementation
- Identify technologies or tools to improve the production process and safety

**Areas of BAC&CDC Assistance:** The Volunteer Expert provides the technical assistance to:

- Analyze current production practices for Salmonella contamination
- Identify critical points of possible pathogen contamination of product
- Provide recommendations to prevent Salmonella contamination and produce “Salmonella-free” products
- Develop a HACCP model for the product of microbial pathogen free products
- Provide guidance for the establishment of microbiological laboratory for QA/QC purposes

### **Impact of CDC Assistance:**

- Created awareness in the management and workers for the improvements needed in infrastructure, plant sanitation programs, and laboratory analysis
- Enabled the client to explore the capabilities of the current ovens, which helped them to eliminate Salmonella and pathogen contamination, it is expected that this will result in 0% contamination and "Salmonella-free" products
- The management implemented the Volunteer Expert recommendations, specifically involving improvements in the packaging, personnel, raw material handling, and equipment

*\*This company has not released the BAC from a confidentiality agreement so that the firm's name can be used in public documents.*

**Thai Prasit Starch**  
*Manufacturer improves environmental care,*

***increased biogas production by 40%!***

*Completion Date: August, 2000*

*BAC Consultants: Matthew Krause and Kolchai Eua-arporn*

**Client Company:** Thai Prasit Starch, a manufacturer, wholesaler and exporter of Tapioca Starch, Tapioca Pearl and Tapioca Seed. Its production capacity is 5,000 tons of Tapioca Starch and 400 tons of Tapioca Pearl and Tapioca Seed per month.

**Volunteer Executive Advisor:** Richard M. Ahlgren from ACDI/VOCA

**Goals of the Project:**

- Providing realistic solutions to increasing capacity of UASB reactor, current 600 cu/m while capacity is 1,440 cu/m.
- Designing way to re-cycle water back into the process, currently unable to use any recycled water.
- Improving the current wastewater treatment process.
- Optional: Provide solution to enable usage of 100% methane gas in burner operation, at present must use at least 30% fuel oil in gas/oil mixture.

**Areas of BAC Assistance:** We concentrated our efforts on:

- Analyzing the entire wastewater treatment process.
- Determining current capacity of UASB reactor and ways to increase process volume.
- Reviewing Chemical Oxidation Demand (COD) levels in the wastewater.
- Understanding acceptable quality levels for re-using wastewater.
- Diagnosing burner heat intensity and consistency.
- Analyzing oil and gas intake and flame profile in burner operation.

**Impact of BAC Assistance:** The company experienced the following dramatic improvements which save energy resources as a result of the BAC's assistance:

- By revising and improving Upflow Anaerobic Sludge Blanket Reactor (UASB), the company experienced a 40% increase in Biogas production.
- The company experienced an increase in wastewater capacity as well as improved water quality for re-use in the operation.
- Followed recommendations for a more efficient, dependable, and safe Biogas burner.
- Company employee and management gained insight into how to conserve energy that not only reduces production costs but also enables an environmentally friendly company.



**Appendix C**  
**TVCS' Consulting Services to**  
**the Thai SMEs** December 1999 - 6  
October 2000

	<b>Type of Business</b>	<b>Sale Volume (M Baht)</b>	<b>No. of Employee</b>	<b>Scope of Assistance</b>	<b>Status</b>
1	Coffee Hourse	80 - 120	300	Procurement	Contracting
2	Block Rubber	> 200	150	Accounting System	Contracting
3	Funiture	80 - 120	100 - 150	Production Control	Contracting
4	Department Store	> 200	140	Accounting System	Consulting
5	Audio-visual & lighting system	80 - 120	62	Financial forecast	Consulting
6	Garment	120 - 200	400	Industrial Management	Consulting
7	Electronic and audio parts	120 - 200	150	Computer System	Consulting
8	Pulleys and agricultueal spare parts	80 - 120	265	Logistics	Consulting
9	Manufacture Dog Chew	> 200	500	HR & production control	Consulting
10	Inland transportation	> 200	260	Human Resource	Complete

11	Phamaceutical	120 - 200	90	Production Control	Complete
12	Canned Food	< 10	55 - 75	Production & Marketing	Complete



## **APPENDIX D**

### **Mentoring Program for the SMEs**

#### **Objective:**

To strengthen the competitiveness of the Thai SMEs through self-sustaining, and competence in the new economy.

#### **Mentoring Scope:**

TVCS will seek assistance from the Thai volunteer experts in all fields to render the mentoring services to BAC's clients who need to develop their operation in the following aspects:

1. Good accounting practice and company analysis
  - Adoption of good accounting standard
  - Improving an internal control system
  - Implementing a suitable software
  - Ethical decision making
  - Training for managerial and key personnel concerned
2. Management and human resource development
  - Writing a Business plan
  - Business restructuring
  - Job evaluation and job description
  - Performance appraisal
3. Product development
  - Market analysis for the exporter
  - Product and package design
  - Branding
  - QC/QA

4. Manufacturing/plant maintenance
  - Plant modification
  - Plan maintenance

### **Mentoring Process:**

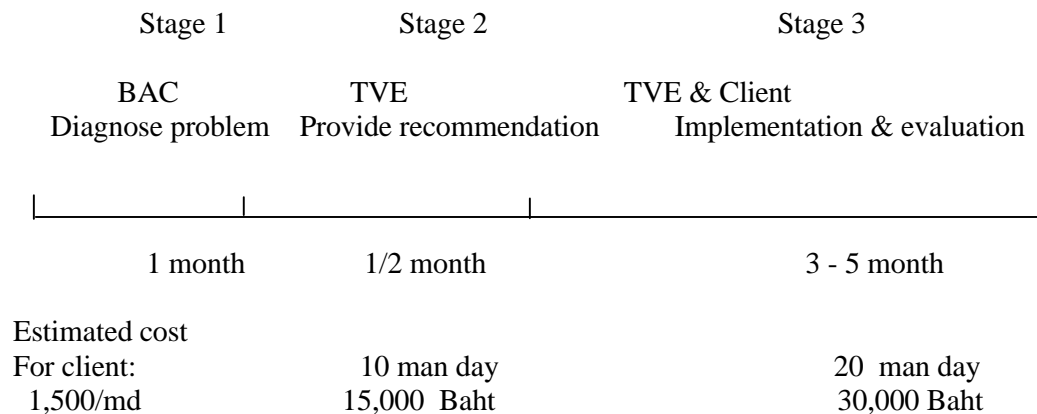
At present, the consulting services provide to the client are focusing on two stages.

Stage 1. Problem diagnosis by BAC

Stage 2. Recommendation or suggestion for improvement by PVO or TVE.

Through this method, the success or failure of development is depending on an intention and ability of the client to implement. In order to build up the real strength and competitiveness for the SMEs, TVCS like to suggest the mentoring program as the third stage of consulting service.

Stage 3. TVCS provide volunteer expert to oversee and give advice for the implementation process. The duration of mentoring may vary from 3 - 8 months depend on the type of work. The client still has to pay per diem to VE, and TVCS may provide some subsidy in the case of long period project.



**APPENDIX E: Bank Training Project Matrix**

<b>Bank</b>	<b>Project name</b>	<b>Update Status (September 28, 2000)</b>	<b>Program Result/ Next step</b>
<b><u>Projects completed</u></b>  The Industrial Finance Corporation of Thailand	Risk management	Training completed	Knowledge increase in risk management. The bank rated the program highly.
Thai Farmers Bank	Credit management	Training completed	Waiting for bank's report. Preliminary reports have been good.
Government Savings Bank	Credit management	Training completed	Waiting for bank's report. Verbal report has been good.
BANKTHAI	Debt-restructuring management	Training Completed	Waiting for bank's report. Verbal report has been very good.
Thai Military Bank	Internal control	Training Completed	Waiting for bank's report. Verbal report has been very good.

<b><u>Projects in pipeline</u></b>			
Bangkok Bank	Train-the-trainers for small and medium enterprises (business plans)	Instructors training began Sept 21, and ended Sept 30, 00	3 courses training for consultant will begin on Oct 2, 00
Siam Commercial Bank	Risk management	Finished training and manual development. Implementing training's manual translation	Preliminary reports have been very good.
Bank for Agriculture and Agricultural Cooperatives	Responsibility Accounting Center	DAI sent budget for amendment and instructor approval to USAID	Training to begin in October.
Government Housing Bank	Responsibility Accounting Center	Finished executive seminar with good result	Train the trainers course will be held around mid of October
<b><u>Project underdevelopment</u></b>			
Krung Thai Bank	Introduction to: - Responsibility Accounting - Risk management	Project proposal was too late for 1999-2000 budget.	KIAsia preparing bidding for 2000-2001 budget
The Thai Institute of Banking and Finance Association	Retail Banking	Waiting for new process	KIAsia preparing bidding for 2000-2001 budget

## **Appendix F**

### **SUMMARY OF BANK EVALUATIONS**

Bank: Thai Farmers Bank Public Company Limited  
Evaluator name: Mrs. Janjaree Buranavej  
Evaluator Position: First Vice President, Human Resource development Head, Human Resource Group  
Telephone: 470-3150  
Date: October 6, 2000  
Contractor: Deloitte Touche Tomatsu  
Project name: Credit Management

#### **Project Evaluation**

1. Overall evaluation of project: **Good**  
Comment: No
2. How well did the project meet the requirements of your organization: **Very Good**  
Comment: No
3. How worthwhile was this project given your investment: **Very Good**  
Comment: No
4. Would you consider participating BTP's program again in the future: **Yes**  
Comment: No

#### **Contractor Evaluation**

1. Overall evaluation of consultants performance: **Good**  
Comment: No
  2. How well did the consultant understand your training need: **Very Good**  
Comment: No
  3. Overall technical expertise and experience of the consultants: **Very Good**  
Comment: No
  4. Presentation and instruction skill of the consultants: **Very Good**  
Comment: No
  5. How well did the consultants fit to the scope of work: **Very Good**  
Comment: No
  6. Coordination skill of the contractor: **Outstanding**  
Comment: No
  7. Participant's knowledge increasing by training: **Good**  
Comment: No
- Any suggestion:
1. The duration of the project and the preparation time for selecting vendor should be given additional time to get the better results.
  2. The bank would like the ability to control the quality of the contractor in managing training performance especially in the case that the contractor undertakes several jobs at the same time.
  3. One criteria for selecting contractor should include experience in Asia.

Bank: Bank of Ayudhya Public Company Limited  
Evaluator name: Mrs. Charlotte Donavanik  
Evaluator Position: Executive Vice President  
Telephone: 296-3823-4  
Date: September 19, 2000  
Contractor: Deloitte Touche Tomatsu  
Project name: Risk Management

### **Project Evaluation**

1. Overall evaluation of project: **Outstanding**  
Comment: No
2. How well did the project meet the requirements of your organization: **Outstanding**  
Comment: No
3. How worthwhile was this project given your investment: **Outstanding**  
Comment: No
4. Would you consider participating BTP's program again in the future: **Yes**  
Comment: No

### **Contractor Evaluation**

1. Overall evaluation of consultants performance: **Outstanding**  
Comment: No
2. How well did the consultant understand your training need: **Outstanding**  
Comment: No
3. Overall technical expertise and experience of the consultants: **Outstanding**  
Comment: No
4. Presentation and instruction skill of the consultants: **Very Good**  
Comment: No
5. How well did the consultants fit to the scope of work: **Outstanding**  
Comment: No
6. Coordination skill of the contractor: **Outstanding**  
Comment: No
7. Participant's knowledge increasing by training: **Good**  
Comment: Training was done in English which limited the effectiveness a little.  
Consultants were highly knowledgeable and experienced in that topic.

Any suggestion:

If funding were sufficient to allow continuation of the project, it would result in a very effective program for Thai Financial Institutes.

Bank: BANKTHAI Public Company Limited  
Evaluator name: Pongsethida Kasemsin  
Evaluator Position: Vice President of Human Resources Training and Development  
Department  
Telephone: 205-6728  
Date: October 6, 2000  
Contractor: Deloitte Touche Tomatsu  
Project name: Debt Restructuring

## **Project Evaluation**

1. Overall evaluation of project: **Good**

Comment: The training was carried out a little late. The bank staff had already begun to workout some debts before the training started.

2. How well did the project meet the requirements of your organization: **Good**

Comment: The course is very valuable in developing a standard training course in debt restructuring.

3. How worthwhile was this project given your investment: **Good**

Comment: No

4. Would you consider participating BTP's program again in the future: **Yes**

Comment: USAID was able to select trainers and consultants very suitably. The bank is not in the position to arrange such training by itself.

## **Contractors Evaluation**

1. Overall evaluation of consultants performance: Good

Comment: No

2. How well did the consultant understand your training need: Good

Comment: Consultants have high experience in course designing.

3. Overall technical expertise and experience of the consultants: Good

Comment: They were able to present several perspectives to a problem.

4. Presentation and instruction skill of the consultants: **Outstanding**

Comment: Mr. Schuman has a very good personality and understood the Thai culture.

5. How well did the consultants fit to the scope of work: **Very Good**

Comment: The participants comment that debtor's comments will increase the completeness of the training.

6. Coordination skill of the contractor: **Good**

Comment: Mr. Clint Stinger has high coordination skill.

7. Participant's knowledge increasing by training: **Good**

Comment: The training was carried out a little late. The participants had got some skill by their routine job.

Any suggestion: No

Bank: Siam Commercial Bank, PCL.

Evaluator name: Mr. Vissut Sethaput

Evaluator Position: Executive Vice President

Telephone: 544-1188

Date: October 4, 2000

Contractor: Barents Group LLC

## **Project Evaluation**

1. Overall evaluation of project: **Very good**

Comment: Overall project evaluation including train-the-trainers section and manual translation. Train-the-trainer section was completed on the end of July while manual translation is still in the process by KPMG Thailand. An evaluator expected that result of

manual translation will be in satisfactory level as well as the result of training the trainers section.

2. How well did the project meet the requirements of your organization: **Good**

Comment: Risk management is a new concept for bank to learn so it requires some time for the organization to adopt and adjust itself.

3. How worthwhile was this project given your investment: **Good**

Comment: It is a process to emphasize the important of new concept of risk management to make it widely spread with a good system through out the bank.

4. Would you consider participating BTP's program again in the future: **Yes**

Comment: This kind of grant yield a great benefit to bank especially in a part of exchanging consultants experience and suggestion.

### **Contractors Evaluation**

1. Overall evaluation of consultants performance: **Very good**

Comment: Consultants have a very good preparation and also dedicate most the time to the job.

2. How well did the consultant understand your training need: **Good**

Comment: Consultants have pretty good understanding of the training needs and they are flexible for the work plan change.

3. Overall technical expertise and experience of the consultants: **Good**

Comment: They are high experience and knowledge level persons. Anyway language barrier between consultants and participants makes the project yield less efficient.

4. Presentation and instruction skill of the consultants: **Good**

Comment: Language barrier is a problem of message flowing.

5. How well did the consultants fit to the scope of work: **Good**

Comment: No

6. Coordination skill of the contractor: **Very good**

Comment: They were very effective coordinated and adaptable to the situation change.

7. Participant's knowledge increasing by training: **Good**

Comment: New concept and experience for bank to adjust their organization to fit future trend.

Any suggestion: No

Bank: Thai Military Bank Public Company limited

Evaluator name: Mr. Anan Santichewasatian

Evaluator Position: Senior Vice President The Audit Department

Telephone: 299-1025

Date: October 6, 2000

Contractor: Development Alternative Inc, Price Water House Cooper as a sub contractor who deliver training

Project name: Internal Control

### **Project Evaluation**

1. Overall evaluation of project: **Good**



- Comment: No
2. How well did the project meet the requirements of your organization: **Good**  
Comment: No
3. How worthwhile was this project given your investment: **Good**  
Comment: No
4. Would you consider participating BTP's program again in the future: **Yes**  
Comment: Banks can gain very effective support in both academic and experience consultants from world leading consulting firm. The program is supporting in developing bank's personnel. Moreover knowledge gained can be apply to the existing bank operating system.

### **Contractor Evaluation**

1. Overall evaluation of consultants performance: **Good**  
Comment: No
2. How well did the consultant understand your training need: **Good**  
Comment: No
3. Overall technical expertise and experience of the consultants: **Good**  
Comment: Most of consultants have high knowledge level especially in academic theory but less skill and experience in training management.
4. Presentation and instruction skill of the consultants: **Good**  
Comment: No
5. How well did the consultants fit to the scope of work: **Fair**  
Comment: Preparation for training document and training contents are not really suit with bank need and requirement. Also summarize of fact finding and training performance did not match with bank requirement.
6. Coordination skill of the contractor: **Fair**  
Comment: Lack of good preparation for training document, training schedule, lecturing resulting in poor training management.
7. Participant's knowledge increasing by training: **Good**  
Comment: No
- Any suggestion:  
Bank and consultant should have more right to adjust the program content after the contract was signed to match with bank need and yield the most effective result for bank.

Bank:	Government Savings Bank
Evaluator name:	Mr. Somchai Ponjindarak
Evaluator Position:	Training Officer Level 7
Telephone:	299-8000 # 3141-2
Date:	October, 2000
Contractor:	Deloitte Touche Tomatsu
Project name:	Credit Management

### **Project Evaluation**

1. Overall evaluation of project: **Good**  
Comment: No
2. How well did the project meet the requirements of your organization: **Fair**

Comment: Knowledge got from training did not match with the bank need. Time for training is also limited.

3. How worthwhile was this project given your investment: **Good**

Comment: No

4. Would you consider participating BTP's program again in the future: **Yes**

Comment:

### **Contractor Evaluation**

1. Overall evaluation of consultants performance: **Good**

Comment: No

2. How well did the consultant understand your training need: **Fair**

Comment: Consultant has a limited background of bank credit policy and operation. Language barrier is also a problem of training.

3. Overall technical expertise and experience of the consultants: **Good**

Comment: No

4. Presentation and instruction skill of the consultants: **Good**

Comment: No

5. How well did the consultants fit to the scope of work: **Good**

Comment: No

6. Coordination skill of the contractor: **Good**

Comment: No

7. Participant's knowledge increasing by training: **Good**

Comment: No

Any suggestion: No

## **APPENDIX G**

### **Report from Deloitte Touche Tohmatsu**

#### ***USAID AERA Bank Training Program in Thailand: Money Well Spent***

##### **1. Program Rationale and Objectives**

The Asian financial crisis began in Thailand with the collapse of Bangkok Bank of Commerce. With this event, investors began to suspect, rightly as it turned out, that loans held by Thai banks were worth far less than their face value. Poor credit quality was caused by inappropriate lending practices and insufficient analytical skills among Thai bankers, and exacerbated by weak internal control systems. In preparing an assistance program in response to the crisis in Thailand, USAID reasoned that improving credit risk management capabilities and governance standards in Thai banks would both hasten economic recovery and help prevent another crisis.

With this in mind, a portion of the funds allocated to Thailand under the AERA program (Accelerating Economic Recovery in Asia) were earmarked for bank training and administered by the Kenan Institute Asia in Bangkok. The program was structured to provide hands-on training in the areas of risk management and internal control. The training was both tailored to Thailand's unique situation and based on established best practice. The objective of the program was to help Thailand's commercial banks make better lending decisions and manage risks more effectively, while providing investors with more reliable information. Helping Thailand's banks get back on sound financial footing in this manner would allow them to resume sustainable lending to the real sector, and thus hasten economic recovery and help prevent future crises.

##### **2. Activities Completed To Date**

All five private, Thai-owned commercial banks received training and advisory services under the first wave of the program, launched early this year. Four of Thailand's six state-owned banks were also covered under the program, as was the leading state-owned specialized financial institution, Industrial Finance Corporation of Thailand (IFCT). The largest state-owned bank (Krung Thai Bank) and another specialized institution (SIFC), will receive training later this year. All of the training was provided by American firms – Deloitte & Touche implemented training programs at six of the ten institutions, while Development Alternatives International (DAI) took on three banks and KPMG/Barents Group provided training to one bank. The attached chart summarizes the programs completed or underway at each institution.

To date, the Bank Training Program has achieved remarkable success. This success is largely accounted for by three unique elements that were built into the program from its inception. First, all of the institutions, both public and private, share the cost of the program – each contributes at least 20% of the total cost of the assistance it receives. Second, each institution designed its own training/consulting program with guidance from the Kenan Institute. These two elements together helped to ensure the banks' ownership of the programs and reinforced their responsibility for the programs' success. Third, almost all of the programs involve "train-the-trainer" sessions in which selected bank staff are provided with additional instruction to allow them to deliver the initial training program to their colleagues. This last element leverages the resources provided under the AERA program and ensures lasting, positive impact.

### **3. Results Achieved – Tangible Benefits to Thailand’s Financial Sector**

The AERA Bank Training Program has so far cost well under \$3 million. For this small sum, over 1200 bank staff have received practical, interactive training on risk management and internal control systems – training designed to bring Thai banks up to world class standards in these areas. Some of these individuals will go on to train an additional 1800 Thai bankers. The 10 banks that have so far received assistance under the program control well over two-thirds of all bank assets in Thailand and provide loans to every sector – agriculture, manufacturing, services and small business. The Program should thus result in substantial improvements in banks’ lending and internal control capabilities. This in turn should lead to a more robust, stable and healthy banking system that can effectively support sustained economic growth in Thailand.

All of the professional fees that USAID paid through the Program went to US firms and their Thai subsidiaries or subcontractors. The three firms that implemented the Program report that the banks have shown interest in purchasing additional services related to improved risk management. Therefore, the Bank Training Program has resulted in three corollary benefits: First, it generated direct export revenue for US firms and opened additional opportunities in Thailand for these firms. Second, the Program generated both income and knowledge transfer for the Thai consultants that helped to provide training. Third, it raised Thai banks’ awareness of the need for continued improvement in risk management and internal control. Finally, the Program received positive publicity in the Thai press and has been recognized by Thai policymakers. Thus, it has strengthened our relationship with Thailand and demonstrated the value that well structured and managed USAID assistance programs can bring to the country.

### **4. Potential Next Steps – Ideas for Continued Assistance**

As mentioned, training at several institutions is still underway and additional programs are planned for Thailand’s largest state-owned bank and an important SME lender. There is every reason to expect that these new programs will be as successful as the current ones have been. Despite the positive impact that the Bank Training Program has generated, it has not addressed two fundamental problems that continue to hinder Thailand’s economic recovery. USAID technical assistance could be very effective in helping Thailand to address these problems:

1. *Debt restructuring assistance:* While private banks have made progress towards resolving bad debts, Thailand’s state-owned banks have been far less successful. State-owned account for more than 60% of all non-performing loans. Yet these institutions could play an important role in economic growth by channeling funds to under-served but important sectors such as agriculture and small business. USAID could help by providing training and advisory services on debt restructuring to state-owned banks in Thailand.
2. *Implementation-oriented risk management advice:* A bank’s risk management capability consists not only of individuals’ skills, but also the policies and procedures under which they exercise those skills. The Training Program has addressed only the “people” side of the equation – the banks now face the challenge of addressing the “process” side. USAID could help by providing targeted consulting assistance to state-owned banks to help them upgrade risk management policies and procedures, in order to ensure that their staff have the opportunity to apply the new skills they have learned through the Bank Training Program.

## **APPENDIX H: BSOP Projects Matrix**

<b>Project Approved for Funding</b>				
<b>Large Grants</b>				
<b>Project Name / Objective</b>	<b>Description</b>	<b>Objectives/ outcomes</b>	<b>Partners</b>	<b>Status</b>
Standards of Practice Handbook: Certified Investment and Securities Analyst Program / <b>Financial Governance</b>	The Association for Investment Management and Research (AIMR) and the Securities Analysts Association (SAA) are promoting a "code of ethics" for the Thai corporate sector by translating and adapting the AIMR's manual for the Thai environment.	To build up a strong ethics and professional standards program	SAA (Thai), AIMR (US)	The contract between KIAasia and SAA has been signed. The SAA is now implementing the project.
Upgrading the Capability of Accounting Instructors / <b>Financial Governance</b>	The Institute for Certified Auditors and Accountants of Thailand (ICAAT) is developing accounting instructional aids including video tapes, computer programs and teacher's manuals to use in higher education with assistance from a US counterpart university.	Improved accounting standards particularly outside of Bangkok.	ICAAT (Thai), US university	The contract between KIAasia and ICAAT has been signed. Work has begun. The BSOP is looking for a U.S. counterpart
Comparative Study on Thailand's Savings and Investment Tax Policy / <b>Financial Governance</b>	The study is to examine the impact of Thailand's present tax structure on the financial and capital markets from both the economic and administrative aspects. The Security Exchange Commission of Thailand (SEC) asked for the Thai Development Research Institute with assistance from U.S. experts to conduct the study.	More attractive tax provisions for investors.	Thai SEC, TDRI, U.S. Counterpart	The contract with the SEC has been signed. Work has begun.
Bankruptcy Court Administration Program / <b>Financial Governance</b>	The American Bankruptcy Institute (ABI) is providing technical assistance to the Thai Central Bankruptcy Court (CBC) in training and establishing systems to deal under the revised laws with the backlog of corporate bankruptcies.	To improve the capabilities of the CBC and develop a relationship between CBC & ABI	CBC, Thai Ministry of Justice, ABI (US)	The U.S. team of administrators came over to provide training in Thailand on Aug 16-22, 2000
Thai Bankers Handbook / <b>Corporate Governance</b>	The Thai Institution for Banking and Finance Association (TIBFA) under a licensing agreement with the American Bankers Association (ABA).	Completion and use of handbook throughout Thailand	TIBFA, ABA	The contract between KIAasia and TIBFA will be signed after the licensing agreement between TIBFA and ABA has been completed.

Projects Approved for Funding				
Small Grants				
Project Name / Objective	Description	Objectives/ outcomes	Partners	Status
Technical Assistance for Thailand Rating Information Services (TRIS) / <b>Financial governance</b>	Technical assistance and training is to be given to TRIS by an expert sourced under the International Executive Service Corps (IESC) in the area of bond rating.	To strengthen Thai corporations' abilities to raise funds by improving the capabilities of TRIS in bond rating.	TRIS (Thai), IESC (US)	The project has been completed.
TRIS – Trip # 2	To provide expert assistance from a US Private Volunteers Organization (PVO) to help TRIS in the area of credit rating methodologies and procedures, securitizations, and staff training	To strengthen Thai corporations' abilities to raise funds by improving the capabilities of TRIS in credit rating methodologies and procedures, securitizations	TRIS (Thai), CDC (US)	The BSOP is contacting the CDC to find out the U.S. expert.
APICS-TLAPS Partnership / <b>International Competitiveness</b>	To provide expert assistance from APICS to help the Thai Logistics And Production Society (TLAPS) in the area of logistics and supply chain management.	To establish long-term cooperation between TLAPS and APICS	TLAPS (Thai), APICS (US)	The BSOP is providing financial support to TLAPS President and Advisor to attend APICS conference in Florida, U.S.A.
International Auditor Fellowship Program / <b>Financial Governance</b>	To provide financial support to the Office of the State Audit of Thailand (SAO) to send its staff to attend The GAO Fellowship program, which supports the goal of the International Organization of Supreme Audit Institutions (INTOSAI) to strengthen auditing and financial management practices and promotes the sharing of information and experiences among Supreme Audit Institutions (SAI) throughout the world.	To improve the capabilities of the SAO staff and develop a relationship between SAO and GAO	SAO, General Accounting Office (GAO)	The BSOP is providing financial support to the SAO's staff, Mr. Phaisarn Vorasetsiri, to attend Program at GAO in Washington D.C. from June 12, 2000 to October 27, 2000.

Projects Approved for Funding				
Small Grants				
Project Name / Objective	Description	Objectives/ outcomes	Partners	Status
The International Auditor Fellowship Program's field office placement	The program is a continuation of the International Auditor Fellowship program and is designed to provide the participant with training, which includes gaining practical experiences in designing and implementing audits.	To improve the capabilities of the SAO staff and develop a relationship between SAO and GAO	SAO, General Accounting Office (GAO)	The BSOP is providing financial support to Mr. Phaisarn to participate in GAO post-training program.
Land Assessors / <i>Financial Governance</i>	To support technical assistance and training to improve land assessment capabilities in Thailand.	Improve knowledge of assessors in Thai assessment organizations	Association of Thai Assessors, Appraisal Foundation (U.S.)	Executive from the Appraisal Foundation came over to hold talks with key Thai organizations involved in the land assessment in late August.
Certificate for Occupational Health and Safety / <i>International Competitiveness</i>	The Occupational Health and Safety at Work Association (OHSWA) of Thailand proposes to join the American Board of Industrial Hygiene (ABIH) to provide training and establish a certificate program.	To initiate training programs and establish a certificate program to comply with the new Labour ACT.	OHSWA (Thai), ABIH (U.S.)	The BSOP provided financial support for the ABIH's Board Chair to deliver a seminar to the OHSWA on July 20-21, 2000 in Thailand.
SET Derivatives Program / <i>Financial Governance</i>	To provide technical assistance and training to improve SET's knowledge of derivatives and systems to offer derivatives products.	To prepare the SET's staff for delivering of new derivatives products.	SET (Thai), US partner	Mr. Robert B. Gilmore, and expert consultant, came to work with the Stock Exchange of Thailand (SET) on Sept 11-20, 2000
Thai Credit Bureau / <i>Financial Governance</i>	To promote the concept and the use of credit bureaus in Thailand to the public, industry and government.	Better knowledge on credit bureaus	Central Information System / US Partner	The BSOP is providing financial support to Khun Samma of CIS to attend the credit bureau conference in San Francisco, U.S.A.

<b>Projects in the Pipeline</b>				
<b>Project Name / Objective</b>	<b>Description</b>	<b>Objectives/ outcomes</b>	<b>Partners</b>	<b>Status</b>
The Office of the State Audit of Thailand (SAO) / <b>Financial Governance</b>	To provide technical assistance and on-the-job training/peer review as well as classroom instruction to the SAO's staff. and to develop training materials for self-learning center, including updating the audit manual.	Improved auditing procedures	Thai OAG, U.S. partner	The Government Audit Training Institute (GATI) which is designing a training program that will include U.S. experts.
Enhance the Institution for SME in Thailand (ISMED / ATSME) / <b>International Competitiveness</b>	To strengthen the Institute for SME in Thailand's activities by partnering with the US Small Business Administration (SBA).	Improved Institutional capabilities	ISMED/ ATSME(Thai), SBA (U.S.)	Project development
Thai Bond Dealing Center / <b>Financial Governance</b>	To provide technical assistance to the Thai Bond Dealing Center in developing secondary bond market standards to build trust, accountability, and confidence in the market.	Improved secondary bond market standards	Thai BDC and US partner	Project development
The SET Junior Investor Program (SJIP) / <b>International Competitiveness</b>	To provide technical assistance to promote and implement capital market education for young generation in Thailand in the area of economics, finances, and investment principles	To form self-sustainable institution for capital market education after 3 years incubation.	SET (Thai), JAI (U.S.)	The BSOP is reviewing the proposal.



## **APPENDIX I.**

### **Summary Report: Thailand Roll Back Malaria Strategic Planning Workshop**

From July 24-26, 2000, BAAM facilitated a multi-agency gathering of key stakeholders in malaria control entitled “*Thailand Roll Back Malaria Strategic Planning Workshop*” in Chiang Mai. Fifty-three participants comprised representatives from the Ministry of Public Health at central, regional, and provincial levels, the Faculty of Tropical Medicine at Mahidol University, the Thai and US Armed Forces Research Institute of Medical Science, the Royal Project Bureau, the Royal Thai Army Medical Department, the Border Patrol Police, the Hilltribe Welfare Division of the Ministry of Labor and Social Welfare, the Office of the National Economic and Social Development Board, the Office of the National Primary Education Commission, The Life Skills Development Foundation, the Inter Mountain Peoples Education and Culture in Thailand (IMPECT) Project, the International Rescue Committee, the Asian Cooperative Network for Training on Malaria, Medecins Sans Frontieres, PATH Canada, UNICEF, the World Health Organization, and the United States Agency for International Development.

Following a daylong seminar on “*Development of New Dimensions in Malaria Control*,” working group sessions were held to obtain input on key strategies for renewed joint efforts to control malaria with special focus on border areas and multi-drug resistant malaria. Working groups focused their deliberations on the following thematic areas:

1. Diagnosis, Treatment, Case Management
2. Community/Household Prevention of Malaria
3. Epidemiology, Surveillance, Mapping, GIS
4. Decentralization, Health System Reform, Responsibilities, and Processes for Community Participation
5. Staff Capacity Building and Training Methodologies
6. Participatory Learning Processes, and Prototypes for Action in Target Communities
7. International Organizations/Agencies and Their Contribution to Thailand Roll Back Malaria

The thematic working groups presented results of their discussions in the form of recommended strategies, activities, support needed, and potential partner agencies to plenary for comments and discussion.

Key strategies proposed by the thematic working groups are summarized as follows.

1. Diagnosis, Treatment, Case Management
  - Use of rapid diagnostic test dipsticks that can identify both *P. falciparum* and *P. vivax* for rapid diagnosis of high-risk populations in isolated communities by persons selected by communities to be responsible for dipstick diagnosis and provision of treatment using pre-packaged combination regimens
  - Use of combination treatment regimens in blister packs for resistant malaria
2. Community/Household Prevention of Malaria



- Prepare communities to prevent increases in mosquito populations and to drive mosquitoes away from groups of houses
  - Use of insecticide treated bednets
  - Use of other insecticide (or herbal) treated materials
  - Use of other additional materials to prevent mosquito bites
  - Specify special measures to prevent mosquitoes from biting pregnant women
3. Epidemiology, Surveillance, Mapping, GIS
    - Enhancement of sentinel surveillance in 8 border provinces to monitor multi-drug resistant *P. falciparum* through a network approach using up-to-date communications technology
    - Implementation of measures to obtain more complete epidemiological data by including non-reporting government hospitals, community hospitals, and private sector clinics and hospitals
    - Establishment of an early warning information system and special response teams in 10 border provinces
    - Development of the capacity to use computerized geographic information systems (GIS) and mapping at the local level
  4. Decentralization, Health System Reform, Responsibilities, and Processes for Community Participation
    - Strengthen the capacity of the people for self-reliance health care including action for prevention, diagnosis and rapid treatment
    - Adjust the role of the government sector in implementing malaria control
    - Develop the potential and role of communities and local administration in implementing malaria control
    - Develop integrated coordination of cooperation and equal partnerships among local implementing agencies
  5. Staff Capacity Building and Training Methodologies
    - Develop staff for the Ninth Economic and Social Development Plan and Roll Back Malaria by emphasizing training using a learner-centered approach
  6. Participatory Learning Processes, and Prototypes for Action in Target Communities
    - Rely upon local indigenous knowledge and resources to solve malaria using a participatory approach involving local leaders, school-based persons (student health promotion leaders and health education teachers), government and non-government health and non-health sector persons
  7. International Organizations/Agencies and Their Contribution to Thailand Roll Back Malaria
    - There is a need to clarify the concept of Roll Back Malaria and its application at the country level. RBM should not be viewed as another project or source of funds, but rather be seen as a process supporting a global and local movement to effect a paradigm shift from long entrenched malaria eradication/control strategies and structures toward new approaches emphasizing interventions focused at the community- and district-level to empower affected populations to participate in local action in accordance with decentralization trends and health system reform.



- Thailand needs a comprehensive strategic framework for all anti-malaria efforts. WHO, KIASia (USAID/BAAM Project), and UNICEF could provide assistance in facilitating joint efforts to develop a strategic program framework.
- Once Thailand has a comprehensive strategic framework for all anti-malaria efforts, international organizations could assist in resource mobilization to address priority needs and gaps, and provide some grant funds (e.g. operations research, training, IEC).
- With many projects and donors involved, there is a need to coordinate all anti-malaria efforts in Thailand. International organizations (WHO, USAID/BAAM) could assist by:
  - Funding to strengthen coordination mechanisms, systems, partnerships, networking
  - Facilitating supportive interactions among INGOs and MOPH (e.g., exchange of lessons learned, best practices, research results).
- Regarding cross-border and regional cooperation, WHO, UNICEF, and ACTMalaria could support regional training, seminars, workshops, cross-visits, and technical support.
- Technical support (e.g., Sentinel surveillance, IEC/behavior development and change communication, EDPT, community-based prevention and monitoring, health sector reform through integration and decentralization, etc.) could be provided by WHO, UNICEF, AFRIMS, CDC-Atlanta, and international NGOs.
- Regarding high costs of commodities and technology, WHO and USAID could facilitate bulk procurement and reduction of unit costs support investment by the private sector in improving technologies for anti-malaria efforts.

#### Follow-on to the Workshop

Proceedings of the workshop have been prepared including results from working groups formatted in tables for input into an RBM strategic framework. This framework will incorporate the principal strategies, activities, support needed, and potential partner organizations, forming the basis for an action plan for Roll Back Malaria integrating all anti-malaria efforts in Thailand and donor support in a unified coherent document. *KIASia* will coordinate with WHO and the Malaria Division to identify priority areas for support and assistance to the Thai national Malaria Control Program for funding by WHO or USAID through subgrants from *KIASia*.

